

April 28, 2021

The Regular Board Meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Iversen at 12:00 pm on April 28th in Cypress Conference Room. Due to the ongoing COVID 19 Pandemic the Regular Board Meeting was conducted via WebEx.

Those present were Commissioners Warren Tessler, Jan Iversen, Paul Maughan, PhD, Lynne Lang, PhD and Chip Bogosian, MD. Also present were Charles Hall, MSN, CEO; Elise Cutter, COO; Dr. Rob Rieger, COS, Carol Northup, RN CNO, Julie Norton Stewart, CFO, Kim Graf, Executive Assistant and Questen Inghram Anacortes American.

Public Comment:

No Public Comments were made

Action Items Completed:

- a. Commissioner Site Visit to Orcas-Ribbon Cutting Ceremony
- b. WSNA Agreement sent to Commissioners for review
- c. Branding discussion with Commissioners and Laura Moroney

2020 Audit Report:

Eric Volk and Wes Thew, WipFli, presented to the Board of Commissioners the Island Hospital 2020 Audit Report.

Wes reported that Island Hospital had a clean audit and that one adjustment was made. Wes highlighted the financial & ratio analysis, provided an accounting update and provided a health care industry update on the Provider Relief Fund and beyond COVID trends in health care services.

After review, Commission Tessler made a motion to approve the 2020 Audit Report as presented. Commissioner Lang seconded the motion. Commissioners Maughan, Tessler, Bogosian, Lang and Iversen all voted aye and the motion carried.

Julie thanked the Island Hospital Finance Department and Elise for their efforts to consistently and continually produce a clean audit.

CONSENT AGENDA:

After review and discussion, Commissioner Bogosian made a motion to approve the Consent Agenda with the addition of the March 30th Special Board Meeting Minutes. Commissioner Maughan seconded the motion. Commissioners Bogosian, Iversen, Tessler, Lang and Maughan all voted aye and the motion carried.

BOARD QUALITY & PATIENT SAFETY REPORT

Medical Staff Meeting Summaries:

Due to time constraints, Dr. Rieger departed the meeting. Charles reviewed the Credentials List presented.

CREDENTIALS:

After review and discussion, Commissioner Tessler made a motion to approve the Credentials List as presented noting that three of the providers on the list are not being recommended for medical staff privileges. Commissioner Maughan seconded the motion. Commissioners Bogosian, Iversen, Lang, Tessler and Maughan all voted aye and the motion carried.

Quality Management Oversight Summary:

Anita McCoy reviewed the Quality Management Oversight Committee Minutes highlighting the following:

- Adverse Events and Medication Errors
- Pain Management

Financial Update:

Financial Statement Review: Julie Norton Stewart reported on the March 2021 financial statements with the Commissioners and highlighted the following as significant items:

- ◆ **Balance Sheet** – The hospital collected \$9.5 million in cash in March and paid out \$8.8 million. This resulted in day's cash on hand of 243.8 (220.5 in operating cash funds) the same as February. The current ratio increased to 2.22 up from 1.81 in February.
- ◆ **Net Revenue** – Net revenue for March 2021 was \$9.1 million with an actual collection rate of 40% which is below the budgeted 41%. Outpatient gross revenue as a percentage of total revenues decreased to 83% of the total gross revenue. Hospital net revenue was below budget 4.8% and Primary Care and Specialty Clinics net revenue was above budget by 1.4%. For the month of March the Hospital meet its financial pillar goal of an operating margin of net revenue to meet or exceed 1%, with an actual operating margin of 4.6%.
- ◆ **Operating expenses** – Total operating expenses for 2021 are 8.2% below budget and 1% above the prior year. Wages, Salaries and benefits were 9% below budget. Supplies are 16.5% below budget and above prior year by 7.4%. Professional and physician fees are 12.2% below budget and 3.2% above prior year. Purchased services are .4% above budget and 1.2% above prior year. Drug expense is at budget and 23.9% above prior year related to oncology. The total number of FTE's for 2021 is 524 which is under the budget of 594 and 14 less than 2020. The Hospital recorded a net operating margin for 2021 of \$42,000 versus the budgeted operating margin of \$130,000. The excess margin for 2021 is \$1,119,000 or 4.5% of net revenue versus budgeted excess gain of \$1,263,000 or 4.7% of net revenue.

Administration Update:

Employee Recognition:

Basket of Goodwill: March: Labor & Delivery passed to Surgical Services
April: Surgical Services passed to Acute Care

Employee of the Month April: Christina Cisneros, Admissions Specialist II

Recognized the new employees on boarded during the month of April.

CEO:

Charles provided updates on the following:

- Program Development: Island Primary Care-Orcas, Intercept Tele-ICU, Island Health & Wellness Center, Spine Robotic Program
- Provider Recruitment Update: Dr. Joe Wilson, OB/GYN; Dr. Rob Billow, Biogenics, Update CMO recruitment efforts
- Upcoming May Events: Nurses Week, Hospital Week, IHF Wellness Adventure, EMS Week

New Business:

IHF: Janie Crane, Foundation Director, provided updates on the following:

- Year to date fundraising efforts
- Recapped the Dr. Day's Spring Appeal noting that \$21,300 in gifts were raised.
- Highlighted the activities of the upcoming Island Hospital Spring Fundraiser, Well Journey Adventure which will be held May 17th-21st. More information about the activities and classes planned for the week can be found at myihf.org/welljourney

Community Relations & Marketing: Laura Moroney, Director Marketing and Community Relations, provided an update on Heartbeats which hits mailboxes May 8th, Community Education Classes for May and Volunteer Services remarking on the recent Volunteer Appreciation Event and the new Volunteer Supervisor Position opportunity available at the Island Hospital.

May Board Calendar: May Board Calendar was approved as presented.

Action Item:

1. Hospital Week Events sent to the Commissioners
2. Breakfast shifts for Commissioners
3. Audit Follow Up at May Finance Committee Meeting
4. Share with Commissioners May Med Staff Commissioner Attendees

ADJOURNMENT:

There being no further business, Commissioner Iversen called for the meeting to be adjourned at 2:00pm.

Jan Iversen, President/Commissioner

Chip Bogosian, MD Secretary/Commissioner

Paul Maughan, PhD Commissioner

Warren Tessler Commissioner

Lynne Lang, PhD, Commissioner